

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814



September 30, 2005

FOSTER CARE AUDITS AND RATES LETTER (FCARL) NO. 2005-04**TO: ALL FOSTER FAMILY AGENCY PROVIDERS****SUBJECT: BIENNIAL FOSTER FAMILY AGENCY RATE REQUEST REQUIREMENTS**

IMPORTANT

This letter is to advise you of the requirements for submission of this year's foster family agency rate request. Please read this entire letter so that you will be aware of the changes to the requirements and rate request forms prior to completing your rate request.

BIENNIAL REGULATIONS NOW EFFECTIVE

The California Department of Social Services (CDSS) has adopted emergency regulations for biennial foster family agency (FFA) rate request requirements effective August 1, 2005, Manual of Policies and Procedures (MPP) Division 11-403. The emergency regulations amend the existing policies and procedures to the annual rates system and implement a biennial system as required by statute. These regulations revise the rate request due date and rate effective date, revise the due dates related to "good cause" extensions, revise the penalty provisions for late requests, and add definitions necessary for clarity.

In accordance with these regulations the CDSS has developed the following rate request schedule to implement the biennial submission requirement.

NEW RATE REQUEST SUBMISSION SCHEDULE

The CDSS has developed a new rate request submission schedule that is based on the non-profit corporation's fiscal year closing date combined with the provider's program number. The MPP defines fiscal year as "any consecutive 12-month period adopted as the annual accounting period." The CDSS has reviewed each program to determine the provider's fiscal year and the program's assigned program number (first four digits of the number). All programs have been divided into odd and even program numbers to link request submission with the actual calendar year. Furthermore, provider fiscal year data has been utilized to permit multiple filings throughout a calendar year with providers with similar fiscal years submitting at the same time. Under this new schedule, FFA providers will submit their rate request according to the chart below.

| Calendar Year | Provider's Program No. | Corporation's Fiscal Year Closing Date | Biennial Request Rate Submission Due Date | Rate Effective Date* |
|---------------|---------------------------------|--|---|----------------------|
| 2005 | Odd number (Ex. 2005-01-01) | 1/1/05 through 6/30/05 | December 1, 2005 | February 1, 2006 |
| 2005 | Odd number (Ex. 2005-01-01) | 7/1/05 through 12/31/05 | Anticipated date: April 1, 2006** | |
| 2006 | Even number (Ex. 2006-01-01) | 1/1/06 through 6/30/06, | Anticipated date: September 1, 2006** | |
| 2006 | Even number (Ex. 2006-01-01) | 7/1/06 through 12/31/06, | Anticipated date: April 1, 2007** | |

* The rate effective date is based upon receipt of a complete rate request package. The rate is effective on the first day of the second full month following the rate request due date.

** These are anticipated dates only, future due date subject to change due to staffing resources and implementation phase in needs. Providers should watch for subsequent FCARLS announcing rate request submission date requirements.

PROVIDERS REQUIRED TO SUBMIT A RATE REQUEST ON DECEMBER 1, 2005

The first group to submit a rate request will be all foster family agencies with odd program numbers and whose fiscal year closed between 1/1/05 through 6/30/05. The due date of the rate request is December 1, 2005. The CDSS has compiled a list of those providers whom we have identified as meeting this criteria (PLEASE SEE ENCLOSED LIST OF PROVIDERS.) However, just in case some providers may have recently changed their fiscal year, if a provider meets the criteria above you will still be required to submit a rate request even though you are not on the attached submission list.

Please note: If we receive a request from a provider who is not required to submit a request we will not process the request and will shred all documents to protect confidentiality.

COMPLETE RATE REQUEST

A complete rate request must be submitted for each foster family agency program in operation. A complete rate request is one that contains all the required documents necessary to set the rate. Forms have changed to reflect submission of information for a biennial reporting period. This means that data is required for the corporation's prior two fiscal years. Please refer to the regulations and the instructions on the reverse side of each FFA form when preparing the rate request. The instructions will assist you in completing the rate request package correctly. **Commencing immediately, the documents listed below are required for a complete foster family agency program rate request.**

1. A complete set of FCR/FFA forms

- Foster family agency Data and Certification Sheet (FCR 1FFA) with original signature
- Program Description Checklist (FCR 2FFA)
- Days of Care Schedule (FCR 3FFA) - **Two separate FCR 3FFA's are required**; one for FY 2003-04 and one for FY 2004-05 (Use actual data do not average or estimate.)

Note: The Total Program Cost Display (FCR 12FFA) is no longer required as part of a complete rate request. However, this form is still required in order to receive a rate and must now be submitted with the financial audit report (FAR).

2. A copy of the current Community Care Licensing (CCL) license for each facility, including a provisional license issued to a new provider, when received.
3. The organization's tax exempt status letter from either the Internal Revenue Service (IRS) or the California Franchise Tax Board (CFTB) designating the organization as tax exempt; if any changes have occurred since submission of the last tax exempt status letter.
4. An endorsed copy of the agency's Articles of Incorporation filed with the California Secretary of State (SOS), if any changes have occurred since submission of the last Articles of Incorporation, demonstrating the organization:
- Operates in the public interest for scientific, education, service or charitable purposes:
 - Is not organized for profit making purposes; and
 - Uses its net proceeds to maintain, improve or expand its operations.
5. A declaration signed by the non-profit corporation's Board of Directors that the non-profit corporation will operate during the biennial rate period in the public interest for scientific, education, service or charitable purposes; is not organized for profit-making purposes; and, uses its net proceeds to maintain, improve or expand its operations.

Please note: A foster family agency provider is to immediately notify the Department if the foster family agency ceases to operate on a nonprofit basis, becomes inactive, suspended, or otherwise is not in good standing with the California SOS.

6. A copy of the credentials demonstrating that each social worker providing services for the program meets the requirements specified in Health and Safety Code Section 1506, if not submitted with a previous rate request.
7. A complete listing of the corporation's Board of Directors to include full names, titles, mailing addresses and phone numbers.
8. A certification by the provider that all information contained in the program statement previously submitted remains current with no changes (this can be documented on the FCR 1FFA under "certifications"); or

If the previously submitted program statement no longer reflects the provider's current program, the provider will submit an updated version of the program statement or addendum to the Department.

If all the required documents previously listed have been received, but additional information is needed, the rate request will be considered complete if the remaining documents are postmarked within 30 days after notification received by the Department.

Providers with Internet access can obtain the revised FCR/FFA forms online at the following address: www.dss.cahwnet.gov/cdssweb/On-lineFor_271.htm. Providers without Internet access can obtain a copy of the FCR forms by contacting the Foster Care Rates Bureau (FCRB). If using FCR/FFA forms other than those available via the Internet, please ensure you are using the most current form revision (see MPP Section 11-406).

GOOD CAUSE REQUESTS

A provider who is unable to submit a complete rate request by the due date (indicated on the chart on page 2) because of circumstances beyond the provider's control, may submit a "good cause" request to extend the due date. Typical circumstances that constitute good cause include, but are not limited to, natural disasters and emergency medical situations [MPP 11-400g(1)].

The procedures for submitting a good cause request are contained in MPP Section 11-403(l)(1). **A good cause request must be submitted by a provider to the FCRB separately from the rate request and must be postmarked no later than five calendar days following the rate request due date.** The good cause request must contain a clear statement requesting good cause and include the specific reasons(s) for submitting an incomplete or untimely rate request. The written request for good cause should also include the name, location, and program number of the affected program; the name, address and telephone number of the provider; and, the name, address and telephone number of the contact person. Please be aware that when the Department approves a request for good cause, a complete rate request is due within 30 days of the

postmark of the Department's approval notification or 30 days after the original rate request due date, whichever is later.

Additionally, for those providers whose request for good cause is approved, complete rate requests submitted in accordance with the above paragraph will have an effective date of the rate as identified in MPP 11-403(f)(2). However, rate requests that are incomplete or are not submitted in accordance with above paragraph can be subject to penalties as described in MPP 11-403(f)(3).

Please also be aware that good cause requests should not be submitted and/or signed by a certified public accountant (CPA), state-licensed public accountant (PA) or consultant as it is the provider's responsibility to manage the operation of the program, be aware of all business transactions impacting the program, and to make good cause requests on behalf of the program.

TIMELINES AND PENALTIES

The timelines and penalties for late and incomplete rate requests contained in MPP Section 11-403(f)(3) have changed as a result of the biennial rate request process and are as follows:

- Rate requests not submitted on or before the due date and requests that are incomplete are considered late requests.
- The rates for late rate requests are subject to a monetary penalty equal to three (3) percent which will be applied to the agency's administrative component of the rate per child.
- The rate is subject to the penalty for the number of months the rate request was late, beginning on either the rate effective date or the date the rate is reinstated if the rate expired.
- The rate is subject to the rate expiration process if the complete rate request is not received on or before the rate effective date.

Example: Rate request is due December 1 and the rate is effective February 1: if the rate request is late but completed in December, the administrative component of the rate is penalized for one month in the month of February.

Example: Rate request is due December 1 and the rate is effective February 1: if the rate request is late but completed in January, the administrative component of the rate is penalized for two months in the months of February and March.

Example: Rate request is due December 1 and the rate is effective February 1: if the rate request is not completed by February 1, the foster family agency program will be subject to the rate expiration process as specified in MPP Section 11-403(f)(1)(C)(1) for failure to submit a complete rate request prior to the rate effective date. Once reestablished, the rate is penalized for the number of months late beginning in the month reestablished.

A program rate which has expired for failure to submit a timely or complete rate request can be reestablished by meeting the requirements of MPP Section 11-403(f)(4). The new rate will be set based on the current rate for the RCL in which the program is reestablished in accordance with MPP 11-403(f)(B).

If a private consultant or CPA completes and/or mails a rate request on behalf of a provider, responsibility for the content of the documents filed and the date of filing remains with the provider. A private consultant's/CPA's failure to submit a timely rate request will not excuse untimely submission of a complete rate request and may result in a penalty.

A complete copy of the regulations is online at the following websites:

<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanb.pdf>
<http://www.dss.cahwnet.gov/getinfo/pdf/fcmanc.pdf>

WHERE TO SEND RATE REQUESTS

A complete rate request should be mailed to:

**California Department of Social Services
Foster Care Audits and Rates Branch
Foster Care Rates Bureau
744 P Street, M.S. 9-74
Sacramento, CA 95814**

If you have any questions about the rate request process or forms, please contact your Foster Care Rates Consultant at (916) 651-9152.

Sincerely,

GLENN FREITAS, Chief
Foster Care Audits and Rates Branch

Enclosure

| Provider # | Provider Name |
|------------|---|
| 1659 | A BETTER WAY |
| 0157 | ADOPTION NETWORK OF CATHOLIC CHAR. – Programs 01 and 02 |
| 1699 | BAY AREA AMERICAN INDIAN COUNCIL |
| 0303 | CHILDHELP USA / VILLAGE OF CHILDHELP |
| 0341 | CHILDNET YOUTH/FAMILY SVCS-LONG BEACH |
| 0535 | CHILDREN'S INSTITUTE INTERNATIONAL |
| 1951 | COMMUNITY ACCESS NETWORK |
| 0269 | CONCEPT 7 FOSTER FAMILY AGENCY |
| 0299 | CRITTENTON SERVICES OF ORANGE CO. FFA |
| 1071 | EVELYN S. COX FOSTER FAMILY AGENCY |
| 0009 | FAMILY BUILDERS BY ADOPTION |
| 0879 | FAMILY CARE NETWORK, INC. |
| 1631 | FAMILY LIFE FOUNDATION |
| 0747 | FAMILY SOLUTIONS, INC. |
| 1693 | GOLDEN STATE FAMILY SERVICES, INC. |
| 1573 | GROWING ALTERNATIVES F.F.A. |
| 1329 | HOME AT LAST, INC. |
| 0019 | IND.CHILD.WLF.CONSR.T./IND.CHLD.FAM.SRVS. |

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|------|---|
| 1525 | LARKIN STREET SERVICES |
| 0193 | MC KINLEY FOSTER FAMILY AGENCY |
| 1911 | MODOC COUNTY OE - MT VIEW FFA |
| 0015 | MOUNTAIN CIRCLE FOSTER FAMILY AG. |
| 0587 | N.C. YOUTH AND FAMILY PROGRAMS |
| 1315 | PARTNERS FOR ADOPTION |
| 1787 | PERSONAL INVOLVEMENT CENTER |
| 1829 | POSITIVE ATTITUDE OUTLOOK OF SO. CA |
| 0957 | POSITIVE OPTION FAM.SVS – Programs 01 and 02 |
| 1873 | RIVERSIDE COUNTY DPSS FFA |
| 0363 | SAN DIEGO CENTER FOR CHILDREN -Programs 01 and 02 |
| 0137 | SAN DIEGO YOUTH & COMMUNITY SVC |
| 0017 | SIERRA ADOPTION SERVICES -Programs 01 and 02 |
| 0105 | SIERRA VISTA CHILDRENS CTR/RESID. TRTMNT |
| 0407 | ST. PATRICKS HOME FOR CHILDREN |
| 0295 | SYCAMORES, THE |
| 2079 | VILLAGE FAMILY SERVICES FFA, THE |
| 0975 | WESTSIDE CHILDREN'S CENTER |

PLEASE NOTE: IF YOUR PROGRAM NUMBER ENDS IN AN ODD NUMBER AND YOUR FISCAL YEAR'S CLOSING DATE IS BETWEEN 01/01/05-6/30/05 AND YOUR FFA DOES NOT APPEAR ON THIS LIST, YOUR ARE STILL REQUIRED TO SUBMIT A RATE REQUEST BY 12/01/05.